

EXHIBIT C



David A. Boag

BOAG | LAW, PLLC
447 Broadway, Ste. 2-270
New York, NY 10013
212.203.6651
dab@boagip.com

November 12, 2021

Compound Finance
operating at ethernet address 0xc00e94cb662c3520282e6f5717214004a7f26888
c/o Robert Leshner
robert@compound.finance
via email

RE: Compound Finance Use of U.S. Patent No. 10,025,797: Method and System for Separating Storage and Process of a Computerized Ledger for Improved Function

Dear Mr. Leshner:

Our firm represents True Return Systems, LLC (“TRS”). You are receiving this letter because TRS believes that Compound Finance is using its patented technology without a license to do so. We would like to open a discussion with Compound Finance to expeditiously and amicably reach an agreement that will provide Compound Finance with the rights to continue using the technology covered by TRS’s U.S. Patent No. 10,025,797 titled, “Method and System for Separating Storage and Process of a Computerized Ledger for Improved Function,” which is attached as Exhibit A.

We have directed this letter to you specifically because publicly available information suggests that you are the correct person within Compound Finance with whom to open the conversation. We appreciate that as a DAO, Compound Finance is, by design, autonomous and without central leadership. However, it is our position that DAOs are properly treated as general partnerships under the law, which does not shield their membership from liability for patent infringement.

The '797 Patent

The '797 Patent is generally directed to systems and methods that improve distributed-ledger technology by addressing computational, time, storage, and security constraints inherent to distributed ledgers such as blockchains. The general approach of the '797 Patent is to separate certain processing and storage functions from a base distributed computerized ledger, while linking the separated processing and storage to the base distributed computerized ledger.

Based on publicly-available information, we believe that Compound Finance is using the technology claimed in at least Claims 1 and 7 of the ‘797 Patent. Claims charts showing the correspondence between the Compound Finance system and Claims 1 and 7 of the ‘797 Patent are attached as Exhibits B-C.

TRS and Jack Fonss

TRS was founded by Jack Fonss, a technology consultant involved with financial technology platforms and offerings. After college, Mr. Fonss was a computer programmer and systems analyst at both McKinsey & Company and Morgan Stanley & Co. on a range of platforms, operating systems, and computer languages. He has consulted for numerous asset managers and technology companies on a wide variety of FinTech issues related to funds, trading systems, and digital currencies.

The ‘797 Patent is the product of work done by Mr. Fonss, the sole inventor of the ‘797 Patent, on the design and integration of separate linked ledgers and architectures for computer system efficiency, security, and persistent auditability.

By 2015, Mr. Fonss recognized that distributed computerized ledger technology (including blockchain technology) provided the potential to improve computer system environments and their interaction with real-world assets and electronically published data sources. Mr. Fonss worked through the issues and invented distributed computerized ledger technologies that could, among other applications, efficiently integrate on-chain and off-chain data and processes for improved computer system efficiency and security. He filed a provisional patent application for his invention with the U.S. Patent and Trademark Office on February 23, 2018, followed by a non-provisional patent application on March 16, 2018. The ‘797 Patent issued on July 17, 2018.

Licensing Opportunity

We look forward to opening a discussion with Compound Finance on licensing the ‘797 Patent and ask that you respond to this letter within 14 days. A pre-litigation licensing agreement with Compound Finance is expected to eliminate the complexities of approaching the organization as a general partnership, unincorporated entity, or similarly divisible arrangement. More favorable license terms are thus possible if a license agreement is concluded quickly. TRS is also open to exploring a sale of the ‘797 Patent, which would give the purchaser a significant exclusive advantage.

Very truly yours,



David A. Boag

Attachments: Exhibits A-C

cc: Geoffrey Hayes
geoffrey@compound.finance
via email

Compound Finance
c/o Compound Labs Inc.
1460 Mission Street, Unit 02-121
San Francisco, CA 94103
via FedEx

Compound Finance
c/o The Corporation Trust Company
1209 Orange Street
Wilmington, DE 19801
via FedEx